

## Senate Committee on State Affairs

December 7<sup>th</sup>, 2020

### Testimony from the City of Houston

The City of Houston appreciates the opportunity to offer testimony on public funds invested in lobbying. Employing more than 22,000 people with an annual budget of \$5.6 billion, the City of Houston has many varied interests before the Texas Legislature and federal government, ranging from law enforcement policy, environmental regulation, and transportation funding to manned space flight policy.

Houston officials realize that in order for city government to maintain a strong position in our relationship with the state government, Houston must maintain a real presence in Austin.

I would note that this sentence appears on the Texas Office of State-Federal Relations almost word for word – substituting “Houston” for “Texas,” city for state, and “Austin” for “Washington DC.”

This happy coincidence demonstrates the shared priority of having a strong advocate in place to advance the interest of different levels of government working together.

However, the Texas Office of State Federal Relations does not list lobby expenditures, contracts, or individual lobbyists on their site. They simply point to a statute and policy outline. According to appropriations made to the OSFR over the last 10 years, the office has increased its budget from \$682,382 in FY 2012/2013 to a high of \$1,057,442 in FY 2018/2019.

For the City of Houston, the federal and state lobby contracts are managed by the Mayor’s Office through the Government Relations Team and are detailed with both the amounts and contracts on a stand-alone, easily searchable website.

As the Director of Government Relations, my office has managed these contracts since 2016. To dispel misinformation, my team has produced online reports of bills we have supported and opposed in both the 85th and 86th Texas legislative sessions. The site contains the lobbyists hired by the City of Houston - as well as the contracts - as part of our efforts for greater transparency.

Again, none of this information, from reports to lobby contracts to amounts, are in any way detailed on the OFSR website.

Mayor Turner feels that it is most important for the taxpayers of Houston to know what they are getting for their city’s investment in these services.

In 2017, the City’s biggest issue was passing pension reform for our municipal, fire, and police pension systems. Thanks to the Legislature, the reforms passed with over 2/3

support in both the Senate and the House. It should be noted that just as the City hired lobbyists to help pass these vital reforms, the pension systems hired lobbyists as well. Stripping the ability of cities to fund lobbyists while allowing pension systems to continue using them is a very inequitable situation.

In 2019, Houston's lobbied for use of the state's Rainy-Day Fund to assist with recovery efforts from Hurricane Harvey. The Legislature wisely chose to invest these resources to provide the local match for FEMA Public Assistance and Hazard Mitigation Grant Programs. Several key provisions were added that came from our experience in natural disasters that helped make this investment payoff for areas most impacted by Harvey. We detail those changes in our 2019 Legislative Report.

On the federal side, there has been a focus on disaster recovery from our federal partners, but also a focus on pulling down funding for transportation projects. For example, the City of Houston has secured three TIGER Grants, the most recent of which helped address high risk intersections with permanent gating to prevent cars from becoming stranded in low lying areas.

Additionally, the Houston Airport System (HAS) operates George H.W. Bush Intercontinental Airport, William P. Hobby Airport, as well as Ellington Field Airport (and newly christened Houston SpacePort thanks to the 86th Legislature). Taking away the ability of these entities to invest in lobbyists would put them, and all Texas airports, at a distinct disadvantage. Given the number of employees at these locations as well as the severe impact of the pandemic on the entire airline industry, restricting the ability to lobby federal policy makers would be ill-advised.

Of primary concern for our federal lobby team has been updates regarding debate over the next coronavirus stimulus bill. Luckily, Houston enjoys a very positive relationship with Senators Cornyn and Cruz as well as our Houston Congressional Delegation. In November, for example, our lobby team coordinated a call with staff to give them the latest update regarding Coronavirus Relief Funds (CRF) spending by the city on everything from testing, contract tracing, rental relief, and small business loans. Detailing these expenditures and our process for making these decisions is critical in providing feedback for the next bill.

The Government Relations Team has worked to provide transparency and accountability for our lobby teams with both our legislative reports and testimony before Houston City Council. Contracts and names are posted, achievements listed, and public votes are taken on whether to support these efforts.

For example, the site details, "On November 18, Houston City Council unanimously approved a two-year agreement with Locke Lord LLP for state lobbying services for the City of Houston. The maximum spending authority for the agreement is \$757,000.00."

A criticism of government is often, "run it like a business," which is valid in many aspects. The expenditures on lobbying for city interests is far below that of what businesses spend. The two-year contract for state lobbying for the City of Houston is

dwarfed by the amounts for-profit companies invest in lobbying. Often, the City of Houston's interest conflict with corporations and various entities on bills before the Legislature, where it becomes an uphill battle in fighting for the people of Houston. Our team is used to being undermanned and outgunned, but the suggestion that cities would be prohibited from hiring any lobbyists is tilting the field even further.

During the upcoming 87th Legislative Session, the City of Houston will work hard to discuss our priorities with members of the legislature on a wide range of issues: police reforms, chemical storage regulation, emergency powers, in addition to public health.

The ability for the City of Houston to invest in lobbyists for this session has not been raised by constituents. COVID, economic relief, public safety, access to healthcare, food security, human trafficking and domestic violence - these are the issues the people of Houston are bringing before their City Council that we hope to address with the Texas Legislature.

We know this legislative session is going to be very difficult and, in many ways, limited on what issues can be addressed in a session impacted by the ongoing coronavirus pandemic. That is why this year, just as in years past, we have invested in lobbyists to help promote Houston's needs to your offices.

If you have suggestions on a more transparent or accountable way that we can operate, the City of Houston is prepared to partner with you. Our shared constituents are all invested in positive outcomes.

Restricting the ability of cities to advocate on the same playing field as unions, associations, and corporations will not help produce better informed policy. We hope the Legislature considers whether the perspective of one of the largest employers, one of the largest law enforcement agencies, and the largest provider of municipal services in Texas is worth listening to. Houston believes we deserve a voice in these debates.

Bill Kelly  
Director of Government Relations  
City of Houston